

FARMER PROGRAMS APPLICATION

TO REQUEST INITIAL and/or SUBSEQUENT GUARANTEED LOAN/LINE OF CREDIT:

Complete Parts 1, 2, and 3 of the application
Review Part 4, and sign and date where indicated
Review Part 5
Complete all applicable areas of Part 6
To Request Interest Assistance, provide the information requested in Part 7
Provide the information required in Parts 9 and 10
Complete Parts 11 and 12
Review Part 13
Complete and sign Part 14

*Attach a Lender's Loan Narrative including a brief history of the operation and support for the guarantee request.

TO REQUEST SUBSEQUENT GUARANTEED LOAN/LINE OF CREDIT IN THE SAME OPERATING CYCLE:

When a borrower received a guaranteed loan and needs additional funds, complete the following Parts:

Blocks 1, 2, 3, and 4 of Part 1
Review Part 4, and sign and date where indicated
Complete all applicable areas of Part 6
To Request Interest Assistance, provide the information requested in Part 7
Complete Part 11 and 12
Review Part 13
Complete and Sign Part 14

TO REQUEST INTEREST ASSISTANCE ON EXISTING GUARANTEED LOAN(S):

Complete Blocks 1, 2, 3, and 4 of Part 1
Review Part 4, and sign and date where indicated
Provide the information requested in Part 7
Complete Part 8
Provide the information required in Part 10
Complete Part 11
Review Part 13
Complete and sign Part 14

Public reporting burden for this collection of information is estimated to average 2 hours per response for each applicant and 4 hours per response for each lender, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0079), Washington, D.C. 20503. Please DO NOT RETURN this form to either of these addresses. Forward to FmHA only.

This page intentionally left blank.

FARMER PROGRAMS APPLICATION

PART 1

TYPE OF ASSISTANCE BEING REQUESTED

1. GUARANTEE

☐ GUARANTEED LOAN

☐ INITIAL

☐ SUBSEQUENT

☐ SUBSEQUENT LOAN WITHIN SAME OPERATING YEAR

\$ _____
ORIGINAL LOAN AMOUNT LOAN CLOSING DATE

☐ INTEREST ASSISTANCE ON EXISTING LOAN

(RESERVED FOR FUTURE USE)

2. TYPE OF LOAN APPLICATION ☐ Individual ☐ Partnership ☐ Corporation ☐ Cooperative ☐ Joint Operation

3. NAME OF LOAN APPLICANT

Show official name without abbreviations unless the abbreviation is a part of the official name. For individuals, partnerships, or joint operators, show name(s) followed by d/b/a and trade name used if any.

Mailing Address

Have you conducted business under another name during the last 5 years? If so, indicate names.

4. Social Security/Tax ID No.

Appl. _____

Spouse _____

County

Telephone Number

City, State, and Zip Code

Have you, as an individual, or any member of an entity loan applicant obtained a Direct or Guaranteed loan from FmHA? ☐ Yes ☐ No ☐ N/A

a: If yes, was the loan paid in full? ☐ Yes ☐ No ☐ N/A

b: Was the loan debt settled or were you ever released from personal liability as part of a debt settlement action? ☐ Yes ☐ No ☐ N/A

c: If a guaranteed loan, did the government pay the lender a loss claim? ☐ Yes ☐ No ☐ N/A

d: Are you, as an individual or any member of an entity application, delinquent on any federal debt? ☐ Yes ☐ No ☐ N/A

(Examples of debt include delinquent taxes, ASCS loans, education loans, etc.; If "Yes", explain on a separate sheet)

RECEIVERSHIP - BANKRUPTCY — Has the loan applicant or any member of the proposed entity ever been in receivership, been discharged in bankruptcy, or filed a petition for reorganization in bankruptcy? ☐ Yes ☐ No If "Yes" give names, dates and details and explain on a separate sheet.

ARE YOU, THE LOAN APPLICANT, FARMING OR RANCHING NOW? ☐ Yes ☐ No

IF NOT, WHEN DID YOU, THE LOAN APPLICANT OPERATE A FARM? _____ 19, ____

NUMBER OF YEARS EXPERIENCE OPERATING A FARM _____

(FOR INDIVIDUAL LOAN APPLICANT ONLY)

Dates of Birth of Persons in Household Applicant Spouse Others

MARITAL STATUS..... ☐ MARRIED ☐ SEPARATED ☐ UNMARRIED (including single, divorced, and widowed)

Are you a citizen?

☐ Yes ☐ No

Are you a veteran?

☐ Yes ☐ No

IF "YES", INDICATE

DATE OF SERVICE FROM

TO

BRANCH

(FOR COOPERATIVE, CORPORATION, PARTNERSHIP, OR JOINT OPERATION LOAN APPLICANTS ONLY)

The following information must be provided for all members, stockholders, partners and joint operators and submitted with this application

- 1) Name, address, social security number, principal occupation, and a current financial statement not more than 90 days old
- 2) Is each person a U.S. Citizen?
- 3) Percentage of ownership, control of entity, or number of shares
- 4) Must be assured that members, partners, etc. can meet personal obligations. Obtain personal cash flows, if necessary.
- 5) Provide evidence of existence;

a) Copy of any charter or partnership/joint operation agreement

b) Any articles of incorporation and by-laws

c) Any certificate of evidence of current registration (good standing)

d) Copy of resolution adopted by members, partners, etc. to apply for and obtain the desired loan and execute required debt, security, and other instruments and agreements.

NOTE: Personal guarantees from all stockholders, all owners having an interest in the corporation, all members of a cooperative, all partners of partnerships, and all members of joint operations generally will be required.

PART 2

COMPLETE THE FINANCIAL STATEMENT BELOW

OR

MARK THIS BOX ☐ AND ATTACH A SIGNED LOAN APPLICANT'S FINANCIAL STATEMENT DATED _____**FINANCIAL STATEMENT AS OF DATE OF APPLICATION***(Show property owned and debts owed by applicant)*

LIST ALL PROPERTY OWNED				LIST ALL DEBTS OWED			
CURRENT FARM ASSETS			\$VALUE	CURRENT FARM LIABILITIES			\$ AMOUNT
Cash: Savings: (\$) Checking (\$)				Accounts and Notes Payable (Creditor & Due Date)			Past Due
Other Invest: (Time Cert \$) (Other \$)							
Accounts and Notes Receivable							
Crops and Feed	Units	Value Per Unit					
Livestock to be sold	Units	Units Weight	Value Per Unit				
				CCC Loan: (Security) (Due Date)			
				Current Portion of Principal Due on:			
				Intermediate Liabilities			
				Long Term Liabilities			
Growing Crops	Acres	Cost/Acres		Accrued Interest on:			
				Accounts and Notes Payable			
				Intermediate Liabilities			
				Long Term Liabilities			
				Accrued Taxes			
Supplies & Prepaid Expenses				Income Tax & Social Security			
Leases				Other (judgements, liens, etc.)			
Other				Accrued Rent/Lease Payments			
TOTAL CURRENT FARM ASSETS ▶				TOTAL CURRENT FARM LIABILITY ▶			
INTERMEDIATE FARM ASSETS				INTERMEDIATE FARM LIABILITIES (Portion due beyond 12 months)			
Accounts & Notes Receivable beyond 12 months				Creditor			Due Date Int. Rate Amount Delinquent
Breeding Livestock	Units	Value Per Unit					
Machinery, Equipment, Vehicles							
Cash Value, Life Ins. (Face Amt. \$)				CCC Grain Reserve			
CCC Grain Reserve: (Qty.) (Value/Unit)				Facilities			Pmt.\$
Coop Stock				Loan Secured by Life Insurance			
Other				Other			
TOTAL INTERMEDIATE FARM ASSETS ▶				TOTAL INTERMEDIATE FARM LIABILITIES ▶			
LONG TERM FARM ASSETS (Farm Real Estate)				LONG TERM FARM LIABILITIES (Portion due beyond 12 months)			
Total Acres	Dates Purchased	Cost		Creditor			Due Date Int. Rate Amount Delinquent
Coop Stock							
Equity in Partnerships/Corporations/Joint Operations/Cooperatives							
Other				Other			
TOTAL LONG TERM FARM ASSETS ▶				TOTAL LONG TERM FARM LIABILITIES ▶			
TOTAL FARM ASSETS ▶				TOTAL FARM LIABILITIES ▶			

FINANCIAL STATEMENT (continued)

NON FARM ASSETS		\$ VALUE	NON FARM LIABILITIES				\$ AMOUNT
Real Estate			Nonfarm accounts payable				
Car, Recreational Vehicles, etc.							
Household goods							
Cash value of Life Insurance							
Stocks, bonds, and other							
Nonfarm Business			Nonfarm notes payable				
			Name of Creditor	Due Date	Interest Rate	Annual Instal.	Principal Balance
			TOTAL NONFARM LIABILITIES				▶
			TOTAL LIABILITIES				▶
TOTAL NONFARM ASSETS		▶	NET WORTH				▶
TOTAL ASSETS		▶	TOTAL LIABILITIES AND NET WORTH				▶

PART 3

If you OWN or plan to acquire any land complete the following: (Use a separate sheet, if necessary)

GENERAL DESCRIPTION OR ASCS FARM NO. (S) (Include Counties)	OWNER'S NAME	TOTAL ACRES	CROP ACRES

If you RENT or plan to rent complete the following: (Use a separate sheet, if necessary)

GENERAL DESCRIPTION OR ASCS NO. (S) (Include Counties)	LANDLORD NAME	TOTAL ACRES	CROP ACRES	LEASE TERMS	WRITTEN LEASE Yes or No

LOAN APPLICANT

1) **FOOD SECURITY ACT OF 1985 (P.L. 99-198) CERTIFICATION**

The loan applicant certifies that he/she as an individual, or any member, stockholder, partner or joint operator entity applicant, has not been convicted under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance since December 23, 1985 in accordance with the Food Security Act of 1985 (Public Law 99-198).

2) **STATEMENT REQUIRED BY THE PRIVACY ACT**

The Farmers Home Administration (FmHA) is authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et. seq.); and Title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et. seq.), or other Acts administered by FmHA to solicit the information requested on FmHA application forms.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested including your Social Security Account or Federal Identification Number may result in a delay in the processing of an application or its rejection.

The principal purposes for collecting the requested information are to determine eligibility for FmHA credit or other financial assistance, the need for interest credit or other servicing actions, for the servicing of your loan, and for statistical analysis. Information provided may be used outside of the Department of Agriculture for the following purposes:

1. Release to interested parties who submit requests under the Freedom of Information Act.
2. To provide the basis for borrower success stories in Department of Agriculture news releases.
3. Referral to the appropriate law enforcement agency as set forth in 40 FR 38924 (1975).
4. Referral to employers, businesses, landlords, creditors or others to determine repayment ability and eligibility for FmHA programs.
5. Referral to a contractor providing services to FmHA in connection with your loan.
6. Referral to a credit reporting agency.
7. Referral to a person or organization when FmHA decides such referral is appropriate to assist in the collection or servicing of the loans.
8. Referral to a Federal Records Center for storage.

Every effort will be made to protect the privacy of applicants and borrowers.

FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency which administers compliance with this law concerning Farmers Home Administration is the Federal Trade Commission, Pennsylvania Avenue at Sixth Street N.W., Washington, D.C. 20580.

WARNING

All information supplied to Farmers Home Administration (FmHA) by you or your agents in connection with your loan application may be released to interested third parties, including competitors, without your knowledge or consent under the provision of the Freedom of Information Act (5 U.S.C. 522).

Much information not clearly marked "Confidential" may routinely be released if a request is received for same. Further, if we receive a request for information which you have marked "Confidential" the Federal Government will have to release the information unless you can demonstrate to our satisfaction that release of the information would be likely to produce substantial competitive harm to your business or would constitute a clearly unwarranted invasion of personal privacy. Also, forms, consultant reports, etc., cannot be considered confidential in their entirety if confidential material contained therein can reasonably be segregated from other information.

Information submitted may be made available to the public during the time it is held in Government files regardless of the action taken by FmHA on your application.

3) **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, had the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

The prospective lower tier participant further agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be constructed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of this section, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(A) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(B) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

TEST FOR CREDIT CERTIFICATION

4) I am unable to provide the needed items on my own account, and I am unable to obtain the necessary credit for such items from other sources upon terms and conditions which I can reasonably fulfill, without a Loan Guarantee. I certify that the statements made by me in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith to obtain a loan.

5) The undersigned Loan applicant, upon signing this loan/line of credit application, certifies that I have received the previous notifications and will accept and comply with the conditions stated thereon:

WARNING

Section 1001 of Title 18, United States Code Provides: "Whoever, in any matter within the jurisdiction of any Department or Agency of the United States knowingly and willfully falsifies, conceals or covers up ... a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$250,000 or imprisoned not more than 5 years or both."

VOLUNTARY INFORMATION FOR MONITORING PURPOSES	
<small>The following information is requested by the Federal Government in order to monitor FmHA's compliance with federal laws prohibiting discrimination against loan applicants on the basis of race, color, national origin, religion, sex, marital status, handicapped condition or age (provided that the applicant has the capacity to enter into a binding contract). You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, FmHA is required to note the race/national origin and sex of individual applicants on the basis of visual observation or surname.</small>	
APPLICANT	SEX
RACE/NATIONAL ORIGIN <i>(Not of Hispanic origin)</i> <input type="checkbox"/> WHITE <input type="checkbox"/> BLACK <input type="checkbox"/> AMERICAN INDIAN OR ALASKAN NATIVE <input type="checkbox"/> HISPANIC <input type="checkbox"/> ASIAN OR PACIFIC ISLANDER <input type="checkbox"/> OTHER <i>(Specify)</i>	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE

Date

(SIGNATURE OF LOAN APPLICANT)

(ADDITIONAL SIGNATURES REQUIRED, IF ANY)

ATTEST: _____ (SEAL)

PART 5

1) NOTIFICATION TO APPLICANT ON USE OF FINANCIAL INFORMATION FROM FINANCIAL INSTITUTION

Pursuant to Title XI, (1113 (b) of Public Law 95-630, your application for a government loan or loan guaranty authorizes the Farmers Home Administration in connection with the assistance you seek, to obtain financial information about you contained in financial institutions. No further notice of subsequent access to this information shall be provided during the term of the loan or loan guaranty.

As a general rule, financial records obtained pursuant to this authority may be used only for the purpose for which they were originally obtained. However, they may be transferred to another agency or department if the transfer is to facilitate a lawful proceeding, investigation, examination or inspection directed at the financial institution in possession of the records (or another legal entity not a customer). The records may also be transferred and used (1) by counsel representing a government authority in a civil action arising from a government loan, loan guaranty, or loan insurance agreement; and (2) by the Government to process, service or foreclosure a loan or to collect on an indebtedness to the Government resulting from a customer's default.

FmHA reserves the right to give notice of a potential civil, criminal, or regulatory violation indicated by the financial records to any other agency or department of the Government with jurisdiction over that violation. Such agency or department may then seek access to the records in any lawful manner.

2) The United States Department of Agriculture, acting through the Farmers Home Administration, has complied with the applicable provisions of Title XI, Public Law 95-630, in seeking additional information regarding the above loan applicant pursuant to 7 CFR Part 1980, Subpart A, 1980.46(a)(2).

PART 6

REQUEST NO. _____ of _____ FOR LOAN NOTE GUARANTEE and/or CONTRACT OF GUARANTEE FOR A LINE OF CREDIT:

PRINCIPAL AMOUNT OF LOAN/LINE OF CREDIT CEILING \$ _____

LOAN TYPE

☐ FO ☐ OL☐ SW ☐ OL/LOC

INTEREST RATE

☐ FIXED

PERCENT GUARANTEE REQUESTED

REPAYMENT PERIOD

REQUEST INTEREST ASSISTANCE IF YES, NUMBER OF YEARS

_____%

☐ VARIABLE

_____%

_____ YEARS

☐ YES☐ NO

PROPOSED REPAYMENT TERMS:

PURPOSES FOR WHICH GUARANTEED LOAN FUNDS WILL BE USED:

LOAN PURPOSE AMOUNT

\$

\$

\$

SECURITY PROPOSED (INCLUDE THAT ON HAND AND THAT TO BE ACQUIRED)

ITEM DESCRIPTION

APPRAISED VALUE

LIEN POSITION

AMT PRIOR LIEN

AMT OF COLLATERAL VALUE

\$

\$

\$

\$

\$

\$

\$

\$

\$

TOTALS

\$

\$

\$

REQUEST NO. _____ FOR LOAN NOTE GUARANTEE and/or CONTRACT OF GUARANTEE FOR A LINE OF CREDIT:

PRINCIPAL AMOUNT OF LOAN/LINE OF CREDIT CEILING \$ _____

LOAN TYPE

☐ FO ☐ OL☐ SW ☐ OL/LOC

INTEREST RATE

☐ FIXED

PERCENT GUARANTEE REQUESTED

REPAYMENT PERIOD

REQUEST INTEREST ASSISTANCE IF YES, NUMBER OF YEARS

_____%

☐ VARIABLE

_____%

_____ YEARS

☐ YES☐ NO

PROPOSED REPAYMENT TERMS:

PURPOSES FOR WHICH GUARANTEED LOAN FUNDS WILL BE USED:

LOAN PURPOSE AMOUNT

\$

\$

\$

SECURITY PROPOSED (INCLUDE THAT ON HAND AND THAT TO BE ACQUIRED)

ITEM DESCRIPTION

APPRAISED VALUE

LIEN POSITION

AMT PRIOR LIEN

AMT OF COLLATERAL VALUE

\$

\$

\$

\$

\$

\$

\$

\$

\$

TOTALS

\$

\$

\$

NOTE: IF ADDITIONAL GUARANTEES NEED TO BE REQUESTED, MAKE A COPY OF THIS PAGE AND ATTACH TO THIS APPLICATION. GUARANTEE REQUESTS NEED TO BE NUMBERED CONSECUTIVELY.

PART 7**REQUIREMENTS WHEN INTEREST ASSISTANCE IS REQUESTED**

- a) Attach a copy of the proposed debt repayment schedule for each loan which shows principal and interest payments at the proposed interest rate before interest assistance
- b) For lines of credit and operating loans for annual operating purposes, attach a copy of a monthly cash flow budget (as defined in paragraph III B of Exhibit D of 7 CFR Part 1980, Subpart B.)
- c) Attach a completed copy of attachment 2 to Exhibit D of 7 CFR Part 1980, Subpart B "Interest Assistance Worksheet/Needs Test".

PART 8**REQUEST (S) for INTEREST ASSISTANCE on the following existing loan (s) :**

ORIGINAL LOAN AMT/LINE OF CREDIT CEILING	\$ _____	\$ _____	\$ _____
ORIGINAL LOAN CLOSING DATE			
FmHA LOAN NUMBER	_____	_____	_____
MATURITY DATE OF ORIGINAL LOAN			
HAS THE LOAN BEEN FULLY ADVANCED?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
NUMBER OF YEARS INTEREST ASSISTANCE REQUESTED FOR?	_____ year (s)	_____ year (s)	_____ year (s)
PROPOSED INTEREST RATE (BEFORE INTEREST ASSISTANCE)	<input type="checkbox"/> fixed _____ % <input type="checkbox"/> variable	<input type="checkbox"/> fixed _____ % <input type="checkbox"/> variable	<input type="checkbox"/> fixed _____ % <input type="checkbox"/> variable
AS OF DATE _____ CURRENT PRINCIPAL BALANCE	\$ _____	\$ _____	\$ _____
CURRENT UNPAID INTEREST	\$ _____	\$ _____	\$ _____
HAS THIS LOAN BEEN PREVIOUSLY COVERED BY AN INTEREST RATE BUYDOWN OR INTEREST ASSISTANCE AGREEMENT?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

PART 9**ADDITIONAL REQUIREMENTS**

NON-CERTIFIED LENDERS SUBMITTING APPLICATIONS OVER \$50,000 - The following information and/or documents listed below are submitted for FmHA's consideration and attached with this application.

APPROVED AND CERTIFIED LENDERS AND ALL LENDERS SUBMITTING APPLICATIONS OF \$50,000 OR LESS - The following information and/or documents listed below are not required to be submitted with this application. The exception listed in item 9, however, only applies to certified lenders. The file may be examined by FmHA at anytime during regular business hours, before or after FmHA responds to this request for guarantee.

- 1) Credit Report
- 2) A copy of the proposed loan/line of credit "Loan Agreement". This loan agreement must contain as a minimum all of the required items in 7 CFR Part 1980, Subpart B, 1980.113.
- 3) A copy of the appraisal report for any chattel and/or real estate security.
- 4) Verification of all debts greater than \$1000. Lender may submit: a) Form 440-32, "Statement of Debts and Collateral", b) Lender's own form, or c) any other document verification.
- 5) Verification of non-farm income. Lender may submit: a) Form 1910-5 "Verification of Employment", b) Lender's own form, c) W-2, d) Earnings statement from employer, or e) any other documented verification.
- 6) A copy of any lease, contract, or agreement entered into by the loan applicant which may be pertinent to the consideration of the application.
- 7) A copy of the development plan, if applicable, which includes any drawings and specifications if the guaranteed loan is being requested for construction, major repairs, or major land development.
- 8) Production and Financial history records for the last five (5) years. This is to include:
 - a) Actual production/yields
 - b) Actual income and expenses data (farm and non-farm)
 - c) Financial Statements a/k/a Balance Sheets
- 9) Form AD 1026 from ASCS.

PART 10**REQUIREMENTS FOR CASH FLOW PROJECTIONS**

The Loan Applicant's cash flow projections and/or typical plan of operation have been prepared in accordance with 7 CFR Part 1980, Subpart B, 1980.113, and are attached to this document. Either Form FmHA 431-2 "Farm & Home Plan" or cash flow forms ordinarily used by the lender, which contain the same information as the Farm & Home Plan, are acceptable.

PART 11**FINANCIAL SUMMARY**

Complete the financial summary tables (A, B, and C) based on the Loan Applicant's cash flow projections.

TABLE A - "BALANCE AVAILABLE FOR DEBT REPAYMENT TABLE"

A) TYPICAL YEAR GROSS FARM OPERATING INCOME (exclude cash carryover)	\$ _____
B) TYPICAL YEAR TOTAL OPERATING EXPENSES (include withdrawals from entities for living expenses, depreciation, and interest on operating debt, term debt, and capital leases; exclude income and social security taxes, carryover debt and delinquent interest)	\$ _____
C) NET FARM OPERATING INCOME (A - B)	\$ _____
D) NONFARM INCOME	\$ _____
E) DEPRECIATION/AMORTIZATION	\$ _____
F) ANNUAL TERM DEBT INTEREST	\$ _____
G) ANNUAL CAPITAL LEASE INTEREST	\$ _____
H) INCOME AND SOCIAL SECURITY TAXES	\$ _____
I) LIVING EXPENSES	\$ _____
J) BALANCE AVAILABLE FOR TERM DEBT REPAYMENT (C + D + E + F + G - H - I)	\$ _____

TABLE B - "ANNUAL SCHEDULED TERM DEBT AND CAPITAL LEASE PAYMENTS"

TO WHOM OWED	AMOUNT DUE WITHOUT INTEREST ASSISTANCE (PRINCIPAL & INTEREST)	AMOUNT DUE WITH INTEREST ASSISTANCE (PRINCIPAL & INTEREST)	DATE DUE
TOTAL (\$)	(K)		

(L) TERM DEBT AND CAPITAL LEASE COVERAGE RATIO (LINE ITEM J DIVIDED BY BLOCK K) _____ & _____ %
 MINIMUM 1.1 AS PER 7 CFR Part 1980, Subpart B, 1980.106 (b)
 IF LESS THAN 1.1 CONSIDER THE INTEREST ASSISTANCE PROGRAM.

TABLE C - CAPITAL REPLACEMENT AND TERM DEBT REPAYMENT MARGIN

- M) CASH CARRYOVER FROM PREVIOUS YEAR _____
- N) CARRYOVER DEBT FROM PREVIOUS YEAR (Include principal and interest of carryover operating, term debt and capital leases) _____
- O) CAPITAL REPLACEMENT AND TERM DEBT REPAYMENT MARGIN (Add J and M, and subtract K and N) _____
- P) PORTION OF CAPITAL ASSETS NOT FINANCED _____

(Must be less than or equal to capital replacement and term debt repayment margin. If no unfinanced capital asset purchases are planned, the margin must be greater than zero. The interest assistance program will be considered if the margin is less than the capital assets not financed and/or less than zero.)

PART 12. ENVIRONMENTAL INFORMATION. (CLP LENDERS ONLY)

The undersigned lender certifies that proper investigations have been conducted to support the following conclusions:

1. Floodplains. Does the property contain existing structures (i.e. farm dwellings and/or service buildings) or does the proposal involve development (i.e. construction channeling, or other alterations) located within the 100-year floodplain, as defined by FEMA floodplain maps, SCS soil surveys, or other documentation?
☐ YES ☐ NO
2. State Water Quality Standards. Did the investigation indicate the operation does not conform to State Water Quality standards?
☐ YES ☐ NO
3. Historical/Archaeological Sites. Does the property contain structures over 50 years old, structures with significant architectural features, or does the property have any historical significance which may make it eligible for the National Register of Historic Places?
☐ YES ☐ NO
4. Wetlands and Highly Erodible Land.
 - a. Will the proposed plan of operation contribute to the erosion of highly erodible land or the conversion of wetlands?
☐ YES ☐ NO
 - b. Has ASCS confirmed that the applicant currently holds an eligible status with respect to the HELC and WC provisions of the Food Security Act?
☐ YES ☐ NO
 - c. Will loan funds be used to drain, dredge, fill, or otherwise manipulate a wetland? Also, will loan funds be used for an activity which impairs or reduces the flow, circulation, or reach of water?
☐ YES ☐ NO
5. Hazardous Substances. For this proposal, has a "due diligence" investigation with respect to underground storage tanks and contamination from hazardous substances indicated any contamination?
☐ YES ☐ NO

If "yes" please describe on an attachment or contact the County Office.

PART 13**CERTIFIED AND NON-CERTIFIED LENDERS**

The undersigned Lender certifies the following and requests issuance of a guarantee in the subject case.

- 1) The loan will be properly closed and/or line of credit agreement will be properly executed and the required security obtained. The construction, relocation, repairs, or other development will be completed in accordance with approved drawings and specifications.
- 2) The borrower has marketable title to security property now owned (and will obtain such title to any additional property to be acquired with loan funds), subject only to the instruments securing the loan to be guaranteed and any other exceptions set forth below:
- 3) Security property now owned and any acquired is considered adequate security for the loan to be guaranteed. If inadequate, state why you believe the borrower's operating plans will permit the borrower to pay the guaranteed loan or lines of credit in full within the period specified. The security instruments will be properly filed or recorded prior to, or simultaneously with, the issuance of the guarantee; except that if security property is yet to be acquired in a jurisdiction in which an after acquired property clause is not valid, a security instrument covering such property will be obtained as soon as appropriate and legally permissible.
- 4) Loan funds will be used for FmHA-approved purposes.
- 5) Proper hazard and any other required insurance will be obtained or is now in effect, as applicable.
- 6) The lender will provide a completed Form FmHA 1980-19, "Guaranteed Loan Closing Report," and a check for the amount of the guarantee fee prior to issuance of the guarantee, if applicable.
- 7) **RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES**

If any funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to guarantee a loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

8) Before a guarantee is issued by FmHA, The lender will certify to conditions in Form 1980- 22, "Lender Certification."

9) The requirements of following sections of 7 CFR Part 1980, Subpart A have or will be met as applicable.

- A) 7 CFR. 1980.40 Environmental requirements
- B) 7 CFR. 1980.41 Equal Opportunity and nondiscrimination requirements
- C) 7 CFR. 1980.42 Flood or mudslide hazard area precautions
- D) 7 CFR. 1980.43 Clean Air Act and Water Pollution Control Act requirements
- E) 7 CFR. 1980.44 Natural Historic Preservation Act of 1966
- F) 7 CFR. 1980.45 Other Federal, State, and local requirements

The loan applicant and/or lender must be in compliance with this section effective with the date of issuance of the Loan Note Guarantee or Contract of Guarantee.

10) The undersigned: (a) considers the proposed loan or line of credit to be sound and within the borrower's repayment ability, (b) believes that all applicable requirements in 7 CFR Part 1980, Subparts A and B have been or will be met and (c) will not make the loan or advances under the line of credit without an FmHA guarantee.

11) In connection with Interest Assistance Requests the Lender certifies that:

- A) The amount of interest resulting from the percentage of interest which FmHA agrees to pay will be permanently canceled as it becomes due and that no attempt will be made to collect that portion of the debt from the borrower.
- B) The lender's reduction in interest charged to the borrower will result in a reduced payment schedule for the borrower and a projected positive cash flow (as defined in paragraph III D of this Exhibit D to 7 CFR Part 1980, Subpart B) throughout the term of the Interest Assistance Agreement.

12) In connection with SUBSEQUENT LOAN REQUESTS IN THE SAME OPERATING CYCLE when a borrower has a recently closed guaranteed loan and needs additional funds, the Lender certifies that the revised cash flow projection has a positive cash flow, the loan/line of credit will be adequately secured, and the loan applicant is in compliance with the loan agreements and all applicable certifications made when the original guaranteed loan was made, are still valid.

13) If loan funds are to be used at or after the time of loan closing for construction, substantial repairs, or major land development, certification(s) on Form FmHA 449-11, "Certification of Acquisition or Construction," will be furnished to FmHA as soon as possible on any such construction, repair or land development.

14) **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR §3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agricultural agency offering the proposed covered transaction.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when the department of agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

The terms "covered transaction," "debarred," "suspended," "ineligible", "lower tier covered transaction," "participant", "person," "primary covered transaction," "principal," and "voluntarily excluded," as used in this clause, had the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

The prospective primary participant further agrees by submitting this form that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of this Section (14), if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

A) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or contract under a public transaction; violation of Federal, or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property.

(c) are not presently indicated for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (A) (b) of this certification; and

(d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or Local) terminated for cause or default.

B) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

15) Appraisals. "I certify that this institution will be in compliance with the real estate appraisal requirements found in 7 CFR §1980.113.

PART 14. LENDERS SIGNATURE

This Application is being filed as:

☐ CERTIFIED LENDER ☐ NON-CERTIFIED LENDER ☐ APPROVED LENDER

The application is governed by the Lender Agreement dated _____

Name of Lender _____

Lender IRS, I.D. Tax No.: _____

Lender Address _____

Telephone Number _____

Contact Person _____

(Name/Title)

WARNING

Section 1001 of Title 18, United States Code Provides: "Whoever, in any matter within the jurisdiction of any Department or Agency of the United States knowingly and willfully falsifies, conceals or covers up ... a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$250,000 or imprisoned not more than 5 years or both."

(Signature of Lender)

Date: _____

By: _____

Title: _____